

Message Text

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PAGE 01 GENEVA 12524 211525Z
ACTION STR-05

INFO OCT-01 AF-10 ARA-10 EA-10 EUR-12 NEA-10 IO-13
ISO-00 STRE-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 SOE-01 OMB-01
DOE-12 OIC-02 /155 W

-----116232 211601Z /45

P 211453Z DEC 77
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 4309
INFO AMEMBASSY TOKYO

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USMTN

ACTION STR PASS ELECTRONICALLY

EO 11652: N/A
TAGS: ETRD, GATT, MTN
SUBJECT: MTN: JAPANESE COMMENTS ON US/EC DRAFT WORKING
HYPOTHESIS

REF: GENEVA 11796

1. AT JAPANESE REQUEST, US DEL (BALE, MOORE) MET WITH
JAPANESE (MIYAKE, SATO) TO RECEIVE JAPANESE COMMENTS ON
DRAFT US/EC WORKING HYPOTHESIS WHICH WE HAD PASSED
TO JAPANESE LAST WEEK (SEE REFTEL). MIYAKE GAVE US TOKYO'S
WRITTEN COMMENTS ON DRAFT HYPOTHESIS WHICH WE ARE
TRANSMITTING IN SEPTTEL. OTHER IMPORTANT POINTS MADE
DURING ENSUING DISCUSSION ARE SUMMARIZED BELOW.

2. MIYAKE REPORTED THAT TOKYO CANNOT ACCEPT US/EC DRAFT
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POSITION ON BASE DATE/RATES WHICH REQUIRES FORMULA
REDUCTIONS OF APPLIED RATES. HE SAID THAT, IN THE ABSENCE
OF AGREEMENT ON UNBOUND RATE REDUCTIONS, CHOICE OF BASE
DATE/RATES FOR UNBOUND ITEMS SHOULD BE LEFT TO EACH
PARTICIPANT. HE REFERRED TO BRACKETED LANGUAGE IN
JAPANESE PAPER AND IMPLIED THAT THE QUESTION OF APPLIED
RATE REDUCTIONS IS IN TOKYO'S OPINION STILL OPEN.

3. TOKYO ALSO DOES NOT SUPPORT IMPLEMENTATION DATE OF JANUARY 1, 1980, AND PREFERS THAT EACH PARTICIPANT IMPLEMENT ITS OFFERS AT EARLIEST POSSIBLE DATE. WHEN QUESTIONED, MIYAKE EXPLAINED THAT THIS IS RELATED TO JAPANESE UNILATERAL TARIFF REDUCTIONS WHICH JAPAN PLANS TO IMPLEMENT FOR ONE YEAR BEGINNING APRIL 1, 1978. HE SAID THAT THESE REDUCTIONS WILL BE CONVERTED, DEPENDING ON REDUCTIONS NEGOTIATED IN MTN, INTO CORRESPONDING GATT RATES, GENERAL RATES, OR NEW APPLIED RATES AT THE EARLIEST POSSIBLE DATE.

4. MIYAKE REPORTED THAT TOKYO PLANNED NO REQUESTS FOR INDUSTRIAL TARIFF CUTS OF NON-FORMULA DEVELOPED COUNTRIES UNTIL AFTER INITIAL OFFERS ARE TABLED AND THEREFORE COULD NOT SUPPORT PARAGRAPH 8 OF DRAFT WORKING HYPOTHESIS. TOKYO BELIEVES BETTER COURSE OF ACTION IS TO WAIT UNTIL OFFERS ARE TABLED AND SUCH COUNTRIES POSITIVELY IDENTIFIED TO AVOID DISCOURAGING SOME COUNTRIES FROM APPLYING FORMULA BY EXPLICITLY ACKNOWLEDGING IN ADVANCE OF OFFERS THAT THEY ARE CONSIDERED NON-FORMULA COUNTRIES.

5. MIYAKE INDICATED THAT JAPAN WILL NOT MAKE, NOR HAS IT YET RECEIVED, REQUESTS FOR DEEPER-THAN-FORMULA REDUCTIONS AND PLANS TO MAKE SUCH REQUESTS ONLY AFTER INITIAL OFFERS HAVE BEEN TABLED. IN RESPONSE TO US DEL QUESTION, LIMITED OFFICIAL USE

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MIYAKE REPLIED THAT JAPAN DOES EXPECT TO ADHERE TO NO-NET EXCEPTIONS CONCEPT TO OBTAIN A 40 PERCENT OVERALL REDUCTION IN ITS JANUARY OFFER. US DEL ACKNOWLEDGED THAT US EXPECTED TO DO SAME.

6. US DEL INQUIRED AS TO HOW ESSENTIAL IS SECRETARIAT NOTE OR MEMORANDUM OF UNDERSTANDING REFERRED TO IN PARAGRAPH 1(3) OF JAPANESE PAPER. MIYAKE RESPONDED THAT THIS REFLECTS TOKYO POSITION MORE THAN IT DOES JAPANESE DEL'S AND INDICATES JAPANESE CONCERN THAT EC MAY TABLE NO OFFER. US DEL STATED THAT US EXPECTS TO MAKE A DETAILED, COMPREHENSIVE OFFER AND THAT PROPOSED VISIT BY AMBASSADOR STRAUSS INDICATES THE DEGREE OF COMMITMENT TOWARD OUR TABLING SUCH AN OFFER. US RECOGNIZES THAT EC'S OFFER REQUIRES COUNCIL APPROVAL ON JANUARY 17, AND IS THEREFORE NOT CERTAIN, BUT WE EXPECT THAT EC WILL BE ABLE TO TABLE AN OFFER FOLLOWING THAT MEETING. US DEL ALSO STATED THAT IT MAY BE IMPOSSIBLE TO AGREE ON BILATERAL OR PLURILATERAL MEMOS OF UNDERSTANDING GIVEN SHORT TIME REMAINING BEFORE OFFERS ARE TO BE TABLED.

7. US DEL INFORMED MIYAKE THAT WE WERE APPRECIATIVE OF

THEIR DETAILED COMMENTS, WOULD PASS THEM TO WASHINGTON,
AND WOULD INFORM THEM OF US REACTION.

8. DRAFTED BY MOORE. MCDONALD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PAPERS, COMMITTEES
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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